

April 29, 2004

PUBLIC UTILITIES COMMISSION
Procedures for Conservation Program Planning

ORDER MODIFYING PLAN

WELCH, Chairman; DIAMOND and REISHUS, Commissioners

I. SUMMARY

We modify the program plan in response to Central Maine Power Company's (CMP) request for reconsideration on issues regarding the hot water heater conservation program.

II. BACKGROUND

On October 20, 2003, the Commission issued an Order Adopting Conservation Program Plan ("Order"). In its Order, the Commission essentially adopted the Staff Report on the Energy Conservation Plan issued by the Staff on September 11, 2003. As part of that Plan, the Commission allowed CMP to continue its Bundle-Up hot water heater energy conservation program subject to certain conditions. In particular, the Commission required that the Bundle-Up Program budget not exceed \$150,000 per year including promotional costs, and that funding for the program would only be established after funding for the statewide residential ENERGY STAR products program had been secured. The Commission also required that CMP's annual Bundle-Up program budgets and promotions be first approved by the Commission.

On November 7, 2003, CMP requested reconsideration of the Commission Order pursuant to Chapter 110, Section 1004 of the Commission's Rules. CMP specifically requested that the Commission restore the program budget to the \$300,000 historic level, without the funding being contingent on other program funding levels. CMP is concerned that a funding level lower than \$300,000 will cause a loss of economies of scale and incent its contractors to request increases to their contract prices. The Company pointed out that 28% of the program services have historically been delivered to low income customers, and that a reduced budget would have negative impacts on the low income customer population. CMP provided information showing the Bundle-Up program to be cost effective. Because the program is one of the Company's oldest and best known programs, CMP receives requests for the service even when the program is not actively marketed. Company customer service representatives also are trained to offer the program to customers with high bill complaints.

On November 26, 2003, the Hearing Examiner issued a Procedural Order waiving the operation of Chapter 110, Section 1004, which denies requests for reconsideration if no action is taken on such requests within 20 days.

III. DECISION

We grant CMP's request with modifications.

CMP has recently reviewed historic program activity and now projects that approximately \$75,000 of the program cost is for efficiency services delivered to low income customers. We will allow CMP to continue to offer these services to low income customers and require the Company to continue providing the details on low income program services delivered as is currently done by CMP in its monthly reports filed pursuant to Docket 2002-161, "Interim Electric Energy Conservation Programs." In the Commission's accounting for Conservation program expenditures, we will account for these expenditures under the 20% of total conservation funds we must target at low income customers in accord with 35-A M.R.S.A. §3211-A(2)(B)(1).

CMP has not increased the amount customers are asked to pay for the Bundle-Up program services since December 18, 1996. We direct CMP to double the customer charge for the program. This means Bundle-Up Do-It-Yourself kits will increase from \$5 to \$10 per kit, and contractor installed wraps will increase from \$10 to \$20. Based on historic data, this increase in contribution by program participants should reduce the program cost to other consumers by approximately \$23,000.

We will allow CMP to continue operating this program because the Company has demonstrated that the program is cost effective and that it is still used by customers even when no active marketing is taking place. Because so many customers have come to rely on this program we will permit the Company to continue its operation, but direct that any active program marketing be eliminated. We will continue to monitor program activity and will review whether the program should be eliminated when we conduct our next comprehensive review of the efficiency program plan.

Accordingly, we

O R D E R

1. That CMP continue to offer its Bundle-Up program in response to customer inquiries.
2. That all active Bundle-Up program promotions cease.
3. That CMP double the non-low income customer contributions for the Do-It-Yourself and contractor-installed Bundle-Up services.
4. That CMP continue to provide monthly reports of program activity.
5. That Bundle-Up program expenditures charged to the Conservation Fund be capped at \$275,000. Expenditures for Low Income customers will be allocated to the Efficiency Maine expenditures on Low Income customers as directed by 35-A M.R.S.A. §3211-A(2)(B)(1).

6. That CMP file revised terms and conditions making these program changes.

Dated at Augusta, Maine, this 29th day of April, 2004.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Diamond
 Reishus

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21 days** of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.